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THE TOBACCO SITUATION

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Summary

The tobacco situation in 1937-38, as indicated by conditions to date this season compared with the preceding season, has been characterized by a material increase in production, a somewhat smaller increase in supply, a slightly higher level of domestic consumption for tobacco products as a whole, increased exports of flue-cured tobacco, and by fairly high prices and a rather favorable demand for the flue-cured, Burley, Maryland, and cigar types.

The flue-cured and Burley crops are 24 and 68 percent respectively, larger than in 1936-37. Prices of flue-cured, however, have averaged higher than a year ago. Burley prices, with the exception of the record high prices which accompanied the extremely small crop of last season, are at the highest level in several years. Though prices declined somewhat in January, the relatively high prices would seem to be chiefly the result of the recent and possibly continuing increase in the demand for cigarettes both in the United States and foreign countries. Stocks of Burley were very low at the beginning of the current season.

Low stocks of flue-cured tobacco and increasing cigarette consumption in many foreign countries, especially in the United Kingdom, have resulted in a material increase in exports to some markets this season, but this increase has been offset in part by smaller exports to China.

Production of Maryland tobacco in 1937, and the estimated supply of that type on January 1, 1938, was smaller than a year earlier. Prices in 1937 were

substantially higher than in the preceding year, and the outlook for domestic demand and prices during the coming months is favorable.

In spite of a material increase in the fire-cured and dark air-cured crops, the total supply of the former was smaller on October 1 than a year earlier, while the supply of the latter showed only a moderate increase. The outlook is for a stationary or perhaps even a declining domestic demand for snuff, and chewing and smoking tobacco, the products into which the domestically consumed portion of fire-cured and dark air-cured tobaccos are manufactured. The trend in export demand for these types is downward. Prices on the opening markets for these types were lower than a year earlier.

The production of cigar tobacco in 1937 was 8 percent larger than in 1936, but the total supply of all types on October 1 was smaller than a year earlier because of the much smaller stocks. Prices for cigar tobacco as a whole this season probably will not differ greatly from last year.

It seems likely that production of flue-cured, Burley, and dark air-cured tobacco this season will exceed disappearance. The reverse is likely in the case of Maryland, most cigar types, and fire-cured. Consequently it is to be expected that stocks at the beginning of the 1938-39 season will be larger for flue-cured, Burley, and dark air-cured, but smaller for Maryland, fire-cured, and cigar types.

FLUE-CURED, TYPES 11-14

Supply in 1937-38 the largest in history

Approximately 1,733,400,000 pounds of flue-cured tobacco are available for the 1937-38 season (based on indications as of December 1). This

supply is nearly 12 percent more than the 1936-37 supply, and is by far the largest supply of flue-cured on record.

Stocks in the hands of dealers and manufacturers on July 1 amounted to a farm-sales-weight equivalent of 883,200,000 pounds. While this is a record high, stocks were only slightly larger than those of 871,300,000 pounds on the corresponding date a year earlier. Production in 1937-38, however, is expected to amount to 850,200,000 pounds, about 24 percent more than last season's output and about 5 percent more than the previous all-time high production in 1935-36.

Expect larger total disappearance in 1937-38

Total disappearance (domestic consumption plus exports) of flue-cured tobacco probably will be larger in the current season than in 1936-37. Increased domestic consumption probably will account for part of the increase in total disappearance, and there also will likely be a moderate increase in exports.

Since the principal domestic use of flue-cured tobacco is in the manufacture of cigarettes, the current movement and prevailing general trend in cigarette consumption are the best indications of the present and prospective volume of flue-cured consumption in the United States. As is generally known, the trend of cigarette utilization has been sharply upward during the past 30 years. A temporary reversal of the trend occurred during the years of deepest depression, but the upward movement has been resumed since 1933. Tax-paid withdrawals during the calendar year 1937 totaled more than 162.6 billion or 6 percent more than withdrawals in 1936, a record high. While the current business recession undoubtedly has tended to retard the expansion in sales of cigarettes during recent months, tax paid withdrawals in the last half of 1937 still were running about 5 percent larger than in the corresponding months in 1936. During the next 6 months (January to June 1938) the course of business conditions with attendant changes in wages and money incomes in general will be a factor affecting purchases of cigarettes by consumers, but it seems likely that consumption will be at least as large as in the corresponding 6 months in 1937.

A considerable share of the tobacco going into the manufacture of smoking and plug chewing consists of flue-cured, but the proportion of total domestic consumption of flue-cured utilized in these products is small as compared with the volume utilized in the manufacture of cigarettes.

Production of smoking tobacco in the 10 months ended October 1937 was 9 percent less than in the corresponding period in 1936. A slight decline occurred between the same two periods in the output of plug chewing tobacco. Any decrease which may have occurred in the utilization of

flue-cured tobacco in these two products in 1937 has been more than offset by increased consumption in the manufacture of cigarettes. The total consumption of manufactured tobacco, of which smoking and plug chewing are the principal constituents, has shown a long-time downward trend, although utilization has been relatively stable during the past 2 or 3 years.

Outlook favorable for exports to Europe

Total exports of flue-cured tobacco from the United States during the first 5 months of the current marketing season (July through November 1937) totaled 180,879,108 pounds compared with 173,914,537 in the corresponding months a year earlier -- an increase of 4 percent. These were the largest exports of flue-cured for the corresponding period since 1930. Decreased exports to China were more than offset by larger exports to the United Kingdom, which takes around 60 percent of United States exports of flue-cured tobacco.

Exports of flue-cured tobacco to principal importing countries, July - November and season's total, 1930-31 to 1937-38

Year beginning July	Exports to - United Kingdom	China 1/	Other countries	Total
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
1930-31				
5 mo. July - November	109,451	41,954	38,380	189,785
Season's total	184,446	143,942	104,300	432,688
1931-32				
5 mo. July - November	72,604	43,361	30,894	146,859
Season's total	129,399	77,436	78,652	285,487
1932-33				
5 mo. July - November	63,016	50,640	29,853	143,509
Season's total	131,807	76,707	61,148	269,662
1933-34				
5 mo. July - November	73,913	41,238	25,836	140,987
Season's total	170,507	87,029	72,794	330,330
1934-35				
5 mo. July - November	105,274	18,361	30,190	153,825
Season's total	152,389	28,976	63,109	244,474
1935-36				
5 mo. July - November	146,991	8,319	25,449	180,759
Season's total	226,631	24,039	72,122	322,792
1936-37				
5 mo. July - November	123,589	14,920	35,405	173,914
Season's total	170,478	43,096	89,066	302,640
1937-38				
5 mo. July - November	132,894	11,801	36,184	180,879

1/ Includes Hong Kong and Kwantung.

Cigarette consumption is tending to increase in foreign countries as well as in the United States. It is estimated that consumption of all kinds of tobacco in Europe as a whole in 1937-38 may be about 5 percent larger than in 1936-37. The consumption of cigarettes should benefit not only from any increase which may occur in total tobacco consumption, but also from the inclination of consumers to substitute cigarettes for certain other tobacco products.

Exports of flue-cured tobacco from the United States to Europe in the current season as a whole should be stimulated by the fact that increasing consumption during the past 2 or 3 years and relatively small imports in 1936-37 have resulted in European stocks at the beginning of the present season being small in relation to consumption. It is estimated that total stocks of United States flue-cured tobacco in Europe on July 1, 1937, were slightly less than on the corresponding date a year earlier when consumption was at a lower level. Consequently European countries will need to import a substantially larger total quantity of flue-cured tobacco during the current crop year if stocks are to be brought into a more normal relationship with consumption.

The United Kingdom accounts on the average for more than 80 percent of total United States exports of flue-cured tobacco to all European countries. Most of whatever increase in exports to Europe takes place in 1937-38 over those of 1936-37 undoubtedly will be represented by larger exports to England. Smokers in continental European countries are accustomed to using blended cigarettes which, in addition to flue-cured, contain large quantities of other types of tobacco which are grown domestically or are produced in and imported from countries other than the United States. In some countries, notably Germany and Italy, exchange restrictions, bi-lateral trading arrangements, and other devices associated with policies of economic nationalism interfere with the importation of American tobacco. In the British Isles the continued preference of cigarette smokers for pure flue-cured tobacco gives assurance that American flue-cured tobacco will continue to dominate the market for some time in the future. Available data indicate, however, that the share of leaf produced in the United States in total British utilization of flue-cured is continuing to decline slightly, largely as a result of increased production of flue-cured tobacco within the Empire and a margin of tariff preference (equivalent to about 51 cents per pound) in favor of tobacco produced within the British Empire. It is possible that exports to the United Kingdom will be favorably affected if recent negotiations for a trade agreement between that country and the United States are brought to a satisfactory conclusion.

Outlook uncertain for exports to Orient

Next to the United Kingdom, the most important foreign importer of American flue-cured tobacco is China. In spite of recent increases in Chinese output of flue-cured, imports of American amounted to over 43 million pounds in 1936-37. During the first 5 months of the current

season exports to China were 21 percent below those of the corresponding period a year earlier. Largely as a result of military operations, Chinese cigarette production has been greatly reduced. Some factories have been destroyed and others have suffered damage. The Chinese 1937 flue-cured production has been estimated at 220 million pounds compared with 180 million in 1936. The crop was harvested before military activities reached the producing areas, but the marketing of the crop has been disrupted.

The outlook for exports of American flue-cured to China is very uncertain, since so much depends upon the intensity and the duration of military activities. It seems reasonable to believe, however, that both total consumption of flue-cured and total imports of American leaf during the current season will be considerably less than in 1936-37.

Increased production of flue-cured tobacco within the Japanese Empire, Japanese exchange restrictions, and governmental regulations designed to foster the production and consumption of tobacco produced in Japan or in Japanese spheres of influence probably will result in smaller imports of American flue-cured tobacco by Japan and Manchuria in 1937-38.

It is likely that the decrease in exports to the Orient will offset a large part of the prospective increase in exports of flue-cured to other markets.

Prices higher this season than last despite larger supply

With more than 95 percent of the crop already marketed by the end of December, the average price for flue-cured tobacco was 23.5 cents per pound compared with a season's average of 22 cents in 1936 and 20 cents in 1935. Although that part of the crop still to be marketed probably will bring lower prices because of lower quality, the average for the season will not be materially below the average to date.

The strength in prices in the face of the marked increase in supply and production likely has been due mainly to the prospect for further increases in cigarette consumption in the United States and foreign countries, some increase in export demand due to the necessity for replenishing foreign stocks, and perhaps, to some extent, to the fact that domestic and foreign buyers may feel that a new government program for the adjustment of production may result in higher tobacco prices in subsequent seasons.

Monthly prices of flue-cured tobacco, by types, during the current and the three preceding marketing seasons are given in the accompanying table.

Flue-cured tobacco: Price per pound received for warehouse sales in Georgia, North Carolina, South Carolina, and Virginia, by types and months, 1934-35 to 1937-38

Type and year	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Type 11 -								
1934-35		25.2	27.8	32.3	28.1	18.7	16.0	9.0
1935-36		19.7	18.1	22.0	21.3	17.4	14.4	9.5
1936-37			24.8	23.5	23.3	19.4	17.4	13.5
1937-38			25.9	26.2	22.9	17.2		
Type 12								
1934-35		26.2	27.8	35.9	28.1	14.4		
1935-36		19.2	18.9	23.8	20.3	15.5		
1936-37			21.5	24.9	21.9	12.6		
1937-38		21.7	22.0	29.7	24.1	15.6		
Type 13 -								
1934-35		24.1	21.0	19.0				
1935-36		21.7	17.9	16.4				
1936-37		23.2	21.1	14.5				
1937-38		23.8	20.3	18.1				
Type 14 -								
1934-35		18.7						
1935-36		18.9						
1936-37		21.0						
1937-38	25.2	18.6						

BURLEY TYPE 31

Large crop, small stocks; supply only slightly larger than 1936-37

The production of Burley tobacco in 1937-38 has been placed at 366,000,000 pounds (December 1 indication), an increase of 68 percent over the extremely small production of 218,300,000 pounds in 1936-37. Stocks in the hands of dealers and manufacturers on October 1, in terms of farm-sales weight, were 571,300,000 pounds; they were 110,000,000 pounds smaller than on the corresponding date in 1936 and the smallest stocks since 1931. The total supply of 938,600,000 pounds at the beginning of the current season was only slightly larger than the relatively small supply of the preceding year. In the 12 months ended September 30, 1937, however, disappearance showed an increase over the preceding year. This was the fourth successive year in which disappearance has increased, although the percentage growth in 1936-37 over 1935-36 was not as large as the change from 1934-35 to 1935-36.

The domestic use of Burley is in cigarettes and smoking and chewing tobacco. Exports of Burley have been somewhat larger during the past few years than the average during the 1920's, but foreign demand for Burley constitutes a relatively small part of the total demand. Exports in the first 2 months of the current marketing season (October and November) were considerably smaller than a year earlier. The expansion in the utilization of Burley in recent years has been due to the use of larger quantities in the manufacture of cigarettes in the United States.

Prices below a year ago, but still comparatively high

The Kentucky warehouse sales report giving total sales in that State during the month of December, lists an average price of 24.5 cents per pound paid to growers of Burley tobacco. This compares with 40.7 cents paid in December 1936 in Kentucky and an average for last season in all States of 35.8 cents. Prices underwent some decline in January, but even if prices during the remainder of the season stay materially below the December level, the season average is expected to be the highest for the last 7 or 8 years, with the exception of last year.

Burley tobacco: Price per pound received for warehouse sales in Kentucky, by months, 1934-35 to 1937-38.

Year	Dec.	Jan.	Feb.	Mar.
	Cents	Cents	Cents	Cents
1934-35	18.5	17.4	12.9	13.4
1935-36	20.2	18.3	12.4	7.2
1936-37	40.7	35.1	20.2	25.7
1937-38	24.5			

MARYLAND TYPE 32

Production and supply decline: exports smaller

Production of Maryland tobacco for 1937 has been indicated at 25,200,000 pounds, a decrease of 5,600,000 pounds or 19 percent compared with production in 1936. An outbreak of blue mould at planting time resulted in some reduction in acreage from 1936, and in addition, growing conditions throughout the season were relatively unfavorable. The large 1936 crop was somewhat in excess of estimated disappearance during the calendar year 1937. As a consequence, stocks on January 1, 1938, are preliminarily estimated to be 3,600,000 pounds larger than on the corresponding date a year earlier. In spite of the larger carry-over, however, the small 1937 crop brings the estimated supply for the new season to 67,300,000 pounds compared with 69,300,000 on January 1, 1937.

Estimated disappearance of Maryland tobacco in the calendar year 1937 of 27,200,000 pounds was somewhat smaller than in the preceding year. Exports have shown a downward trend in recent years, and in the past 2 or 3 seasons have represented only from 20 to 25 percent of total disappearance as compared with 50 percent or more in pre-depression years. The domestic utilization of Maryland tobacco is chiefly in the form of cigarettes. For this reason the general outlook for domestic demand and consumption would seem to be favorable.

Prices in 1937 well above 1936

Prices at Baltimore in most months of 1937 were well above those prevailing in the corresponding months in the preceding season, reflecting the sharp decrease indicated in 1937 production and the expected decline in the supply on January 1, 1938.

Maryland tobacco: Price per pound received for warehouse sales, by months, 1935-36 1/

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1935	10.8	12.8	17.5	18.2	20.4	23.1	27.7	22.5	16.6	13.4	12.9	7.9
1936	11.3	7.9	5.9	10.6	16.4	19.6	25.2	22.9	20.7	12.8	10.2	6.1
1937	7.8	11.3	15.9	25.3	25.7	26.5	26.3	26.4	23.6	20.5	20.2	13.6

1/ Marketing season begins January 1 of the year following production

FIRE-CURED, TYPES 21-24

Production increased but total supply smaller

Total production of fire-cured tobacco in 1937-38 is estimated at 116,800,000 pounds. This is 17 percent more than the 1936 crop, but with that exception it is the smallest output since 1927. Stocks on October 1 were only 170,400,000 pounds compared with 208,000,000 on October 1, 1936. The total supply of 287,200,000 pounds on October 1 was 7 percent less than a year earlier and the smallest supply for any season on record.

In spite of the sharp decline in total supply, however, the quantities of fire-cured tobacco available in the current season are more than ample. Production in 1935 and 1936 was less than disappearance in those years, but this was due in part to the byproducts diversion program of the Agricultural Adjustment Administration. The 1937-38 production probably is not far different from domestic consumption for normal purposes and exports.

The domestic utilization of snuff, the principal product made from fire-cured tobaccos has shown comparatively little change in recent years. In recent months, however, snuff consumption, as indicated by tax-paid withdrawals, has tended to decline. Withdrawals in the calendar year 1937 were 3 percent below those in the corresponding period in 1936, and in the 6 months July to December 1937 were slightly less than in the previous years.

Unfavorable factors in export outlook

Exports in the first 2 months (October and November) of the current marketing season were somewhat larger than in the corresponding period in 1936. Exports of Virginia fire-cured declined, but were more than offset by an increased movement to foreign markets of Kentucky and Tennessee fire-cured. With the exception of last year, however, exports in October and November were the smallest for any corresponding period on record.

In spite of the fact that stocks are comparatively low in certain foreign countries, unfavorable factors dominate the outlook for fire-cured tobacco in markets abroad. Principal among these unfavorable factors are (1) the barriers placed by the German Government against the importation of United States tobacco, (2) the demoralization of the Spanish market, (3) increasing competition in the form of exports from Italy, (4) the nationalistic policies that demand the use of increasing proportions of domestic leaf in most producing countries, particularly Germany, Poland, and Czechoslovakia, and (5) the general trend toward the consumption of cigarettes and away from the consumption of products made largely of fire-cured types of tobacco.

Fire-cured tobacco: Prices per pound received for warehouse sales of Type 21 in Virginia and Types 22, 23, and 24 in Kentucky, by months, 1934-35 to 1937-38

Type and year	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Cents	Cents	Cents	Cents	Cents	Cents
Type 21 -						
1934-35	14.1	12.0	12.8	11.6	8.8	
1935-36	11.1	10.5	11.0	9.8	9.2	
1936-37	11.2	11.6	14.1	14.0	13.9	
1937-38	9.7	9.9				
Type 22 -						
1934-35			9.2	9.1	7.5	5.8
1935-36		8.7	7.8	8.1	7.4	
1936-37			12.1	10.7	10.5	
1937-38						
Type 23 -						
1934-35			8.2	8.1	5.8	4.9
1935-36			6.0	6.7	6.7	
1936-37			7.8	8.0	8.8	
1937-38						
Type 24 -						
1934-35		8.6	7.8	7.0	5.1	
1935-36		6.3	6.3	6.4	5.7	
1936-37		1/	9.6	9.1	8.5	
1937-38		6.6				

1/ December sales were small and were included with January sales.

DARK AIR-CURED, TYPES 35-37

Production shows large increase

The total supply of all three types of dark air-cured tobacco is estimated to be only 2,600,000 pounds more than in 1936, although production increased almost 70 percent. The total dark air-cured crop (based on the December 1 Crop Report) amounted to 41,200,000 pounds compared with 24,600,000 in 1936. Increases over 1936 occurred in all 3 types. One Sucker, type 35, reached 20,200,000 pounds compared with 10,800,000 in 1936. Output of Green River, type 36, was 18,100,000 pounds against 11,200,000 in the previous season. Virginia sun-cured, type 37, increased from 2,600,000 to 2,900,000 pounds. The relatively small increase in supply in the face of the very sharp rise in production resulted from the fact that stocks, which have declined continuously since 1932, were 33 percent smaller on October 1 than on the corresponding date in 1936.

The long-time trend in the domestic demand for and consumption of dark air-cured tobacco has been downward because of the decline in the use of chewing tobacco. Consumption of chewing tobacco has not changed greatly in the past 2 or 3 years, but there does not seem to be any prospect of any significant increase in the domestic demand for dark air-cured types. Production of plug chewing tobacco from July to October 1937 was 4.4 percent less than in the corresponding period a year earlier. Production of fine cut declined and the output of twist increased. Production of these two products is very small, however, as compared with plug.

Exports of Green River and One Sucker tobacco in October and November were smaller than in the same months a year earlier. Exports of black fat, of which the larger part is One Sucker, also were smaller than in the corresponding period in 1936. Generally speaking, the export demand outlook for the current season is rather unfavorable. To some extent the same factors which have been mentioned as adversely affecting exports of dark fire-cured tobacco also apply to the dark air-cured types.

Materially lower prices expected this season

With the prospective demand this year no larger and probably slightly smaller than in 1936-37, and with a material increase in production, it seems probable that prices for dark air-cured will average somewhat lower than last year. Prices on the opening markets showed a sharp decline from last season.

Dark air-cured tobacco: Price per pound received for warehouse sales of Types 35 and 36 in Kentucky and Type 37 in Virginia, by months, 1934-35 to 1937-38

Type and year	Dec.	Jan.	Feb.	Mar.	Apr.
	Cents	Cents	Cents	Cents	Cents
Type 35 -					
1934-35	7.3	7.5	6.1	4.7	2.2
1935-36	6.8	9.1	8.6	3.8	
1936-37	19.4	18.4	12.2	18.8	
1937-38	8.2				
Type 36 -					
1934-35	8.1	9.0	7.2	5.3	
1935-36	7.2	7.7	7.4	6.4	
1936-37	1/	15.5	10.2	11.9	
1937-38	9.8				
Type 37 -					
1934-35	9.3	9.8	9.9	10.0	
1935-36	9.5	11.2	11.7	11.1	
1936-37	12.5	16.4	13.5		
1937-38	8.9				

1/ December sales were small and were included with January sales.

CIGAR TOBACCO

Production larger but stocks and supplies decline

The outlook for most cigar types of tobacco is favorable. Production of all cigar tobacco in 1937 approximated 105,500,000 pounds, or 8 percent more than in 1936. But smaller stocks on October 1 compared with a year earlier reduced total supply to 414,100,000 pounds, or 4 percent smaller than in the preceding season. The increase in production occurred in binder, types 51-55, all of which increased in 1937 as compared with 1936. The increase in the crop from 41,200,000 to 51,100,000 pounds was much more than offset, however, by a decrease in stocks from 156,800,000 pounds on October 1, 1936 to 137,300,000 pounds in 1937.

Production of filler and pad wrapper types amounted to 45,100,000 and 9,300,000 pounds, respectively, or slightly less than in the previous season. Stocks of filler, types 41-45, were slightly smaller, while those of wrapper, types 61-62, were the same as in 1936. Total supplies showed a small decline.

Disappearance of cigar tobaccos in 1936-37 amounted to 121,900,000 pounds, or 12 percent more than disappearance in 1935-36 and 10 percent more than 1936-37 production. Disappearance has exceeded production continuously since 1932. The excess in 1936-37 was mainly in binder types. Wrapper production and disappearance were approximately the same.

It seems likely that the demand for and disappearance of cigar tobacco in 1937-38 will be about the same as in 1936-37. Cigar consumption (as indicated by tax-paid withdrawals) has tended to increase during the past few years. Withdrawals in the calendar year 1937 were 2.6 percent larger than in the corresponding period in 1936. The percentage increase, however, was smaller than in 1936 when withdrawals were 7 percent above 1935. In the 6 months from July through December 1937, withdrawals were slightly less than in the last half of 1936. Production of scrap chewing, an important outlet for some binder and filler grades has increased slightly in recent months.

Prices probably about same as in 1936-37

January, February, and March are the months of heaviest marketing for most cigar tobacco, but preliminary indications are available for some types. Indications are that filler types will be about the same in price as last year. The average price of all types of binder tobacco in 1936 was 14.7 cents, and it is probable that the average for the first part of the current season will be slightly lower. Prices of wrapper, types 61-62, averaged 83.1 cents last season, and are expected to be about the same this season.

Tax-paid withdrawals of tobacco products July-November, and production of manufactured tobacco in the United States, July-October 1936 and 1937 1/

Products	Tax-paid withdrawals July-Dec. 1936	Tax-paid withdrawals July-Dec. 1937	Change 1937 from 1936	Manufactured tobacco	Production July-Oct. 1936	Production July-Oct. 1937	Change 1937 from 1936
	Millions	Millions	Percent		1,000 lb.	1,000 lb.	Per cent
Large cigars ...	2,943	2,895	- 1.6	Plug	21,133	20,213	-4.4
Small cigars ...	89	95	+ 6.7	Twist	2,225	2,385	+7.2
Small cigarettes	80,533	84,534	+ 4.9	Fine-cut ...	2,012	1,874	-6.9
Large cigarettes	2	2	.0	Scrap chewing	15,876	16,107	+1.5
Mfd. tobacco 2/..	154,365	149,548	- 3.1	Smoking.....	66,390	62,997	-5.1
Snuff 2/	18,772	18,709	- .3				

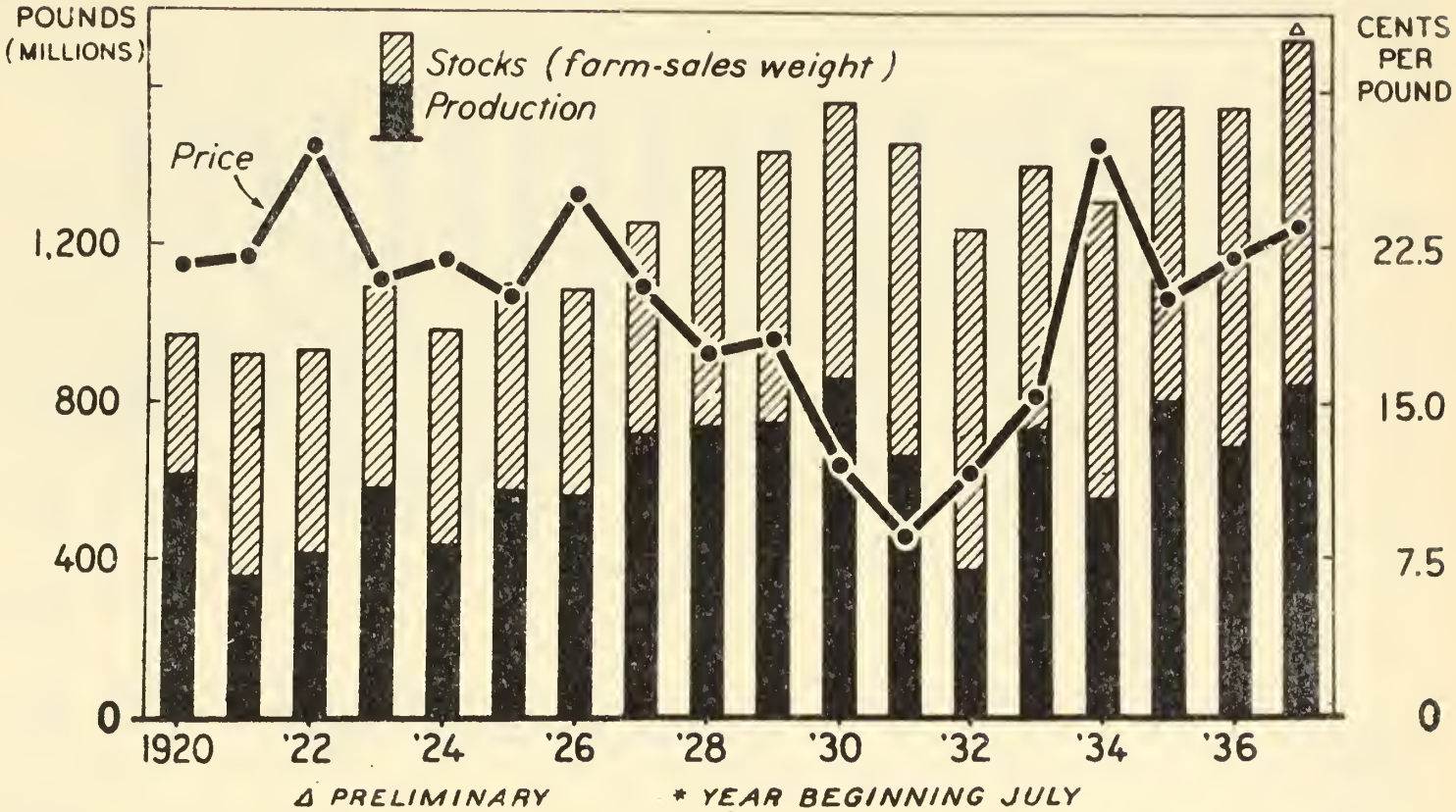
1/ Tax-paid withdrawals include products from the Philippine Islands and Puerto Rico.
2/ Thousand pounds.

Production, stocks, supply, and price of tobacco in the United States, by types, 1936 and 1937

Types	Production 1936	Production 1937	Stocks, Oct. 1 1/ 1936	Stocks, Oct. 1 1/ 1937	Supply 1936	Supply 1937	Supply Change 1937 from 1936	Pri 193
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Percent	Cen
Flue-cured, 11-14 ...	682.8	850.2	671.3	883.2	1,554.1	1,733.4	+ 11.5	22
Va. fire-cured, 21 ..	18.1	20.1	31.3	28.2	49.4	48.3	- 2.2	13
Ky.& Tenn.fire-cured,22	56.4	66.1	134.7	110.2	191.1	176.3	- 7.7	12
Ky. & Tenn. fire-cured, 23	23.2	27.7	38.5	30.9	61.7	58.6	- 5.0	9
Henderson fire-cured, 24	2.0	3.0	3.5	1.6	5.5	4.6	- 16.4	9
Burley, 31	218.3	366.8	681.7	571.8	900.0	938.6	+ 4.3	35
Maryland, 32	30.8	25.2	38.5	2/42.1	69.3	67.3	- 2.9	21
One Sucker, 35	10.8	20.2	28.8	23.8	39.6	44.0	+ 11.1	16
Green River, 36	11.2	18.1	30.7	22.0	41.9	40.1	- 4.3	14
Va. sun-cured, 37 ...	2.6	2.9	2.7	2.4	5.3	5.3	.0	15
Pa. seed leaf, 41 ...	33.4	28.2	102.2	107.3	135.6	135.5	- .1	11
Miami Valley, 42-44 ..	13.2	15.7	60.2	51.6	73.4	67.3	- 8.3	9
Ga. & Fla. sun-grown, 45	.8	1.2	2.2	3.7	3.0	4.9	+ 63.3	13
Conn. Val. Broad-leaf, 51	12.8	14.7	34.2	32.9	47.0	47.6	+ 1.3	20
Conn. Val. Havana seed, 52	8.3	10.5	26.1	23.7	34.4	34.2	- .6	17
N. Y. & Pa. Havanna seed, 53	1.1	1.5	2.0	2.1	3.1	3.6	+ 16.1	11
S. Wisconsin, 54	11.0	13.8	61.4	50.7	72.4	64.5	- 10.9	8
N. Wisconsin, 55	8.0	10.6	33.1	27.9	41.1	38.5	- 6.3	12
Conn. Val. shade-grown, 61	6.9	6.8	6.8	6.9	13.7	13.7	.0	90
Ga. & Fla. shade grown, 62	2.7	2.5	4.2	5.7	6.9	8.2	+ 18.8	65

1/ Flue-cured stocks, July 1; Maryland, January 1 of year following production.
2/ Preliminary estimate.

Tobacco, Flue-cured: Production, Stocks, Supply, and Price, United States, 1920 to Date*



U. S. DEPARTMENT OF AGRICULTURE NEG. 26476-B BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 1.- THE PRODUCTION OF FLUE-CURED TOBACCO IN 1937 AND THE SUPPLY ON JULY 1, 1937, WERE LARGER THAN IN 1936. PRICES ARE SLIGHTLY HIGHER. THE RISING TREND IN THE DEMAND FOR AND CONSUMPTION OF CIGARETTES IN THE UNITED STATES AND IN MANY FOREIGN COUNTRIES IS AN IMPORTANT FACTOR RESPONSIBLE FOR THE STRENGTH IN PRICES.

Burley Tobacco: Supply and Price, United States, 1920 to Date*

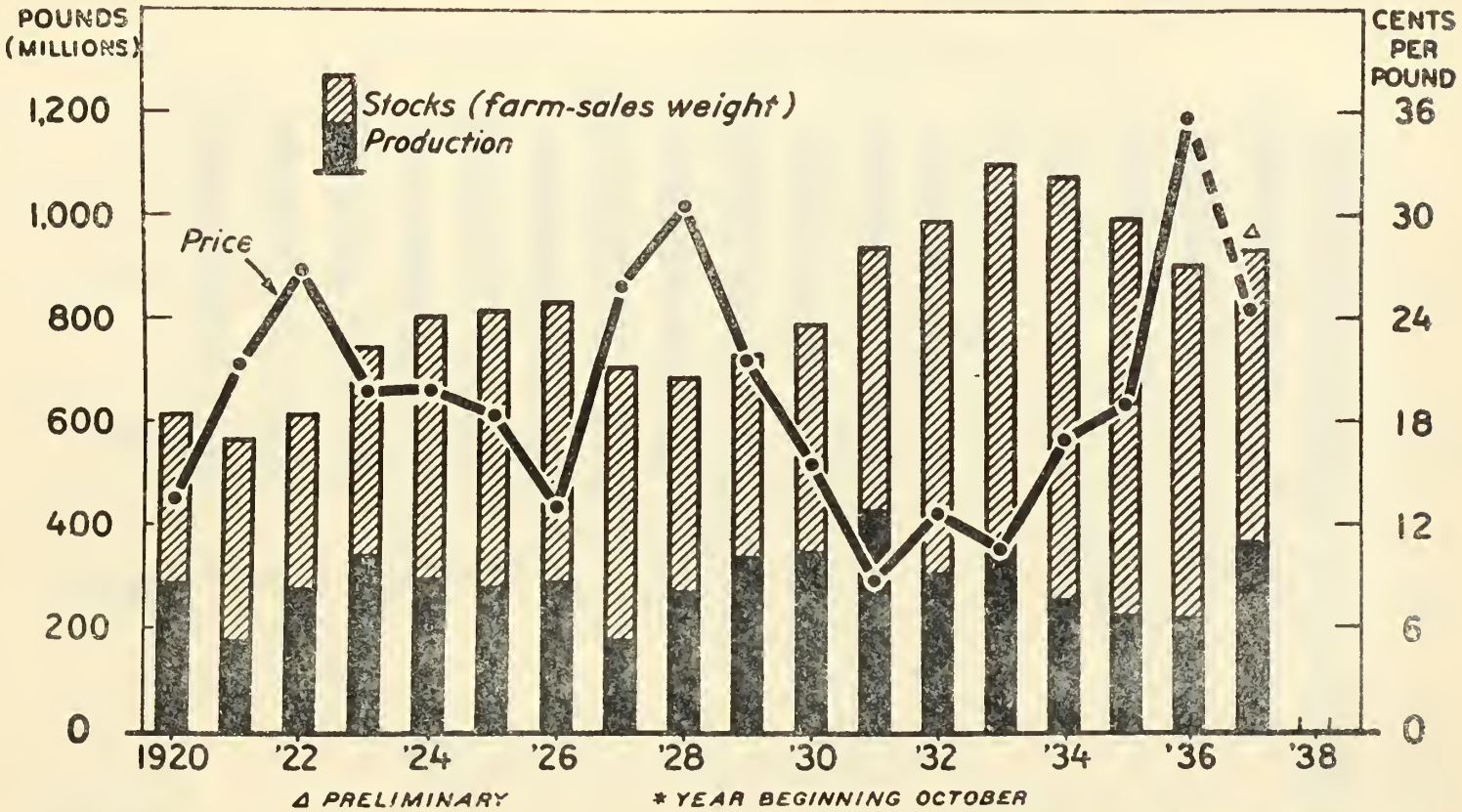


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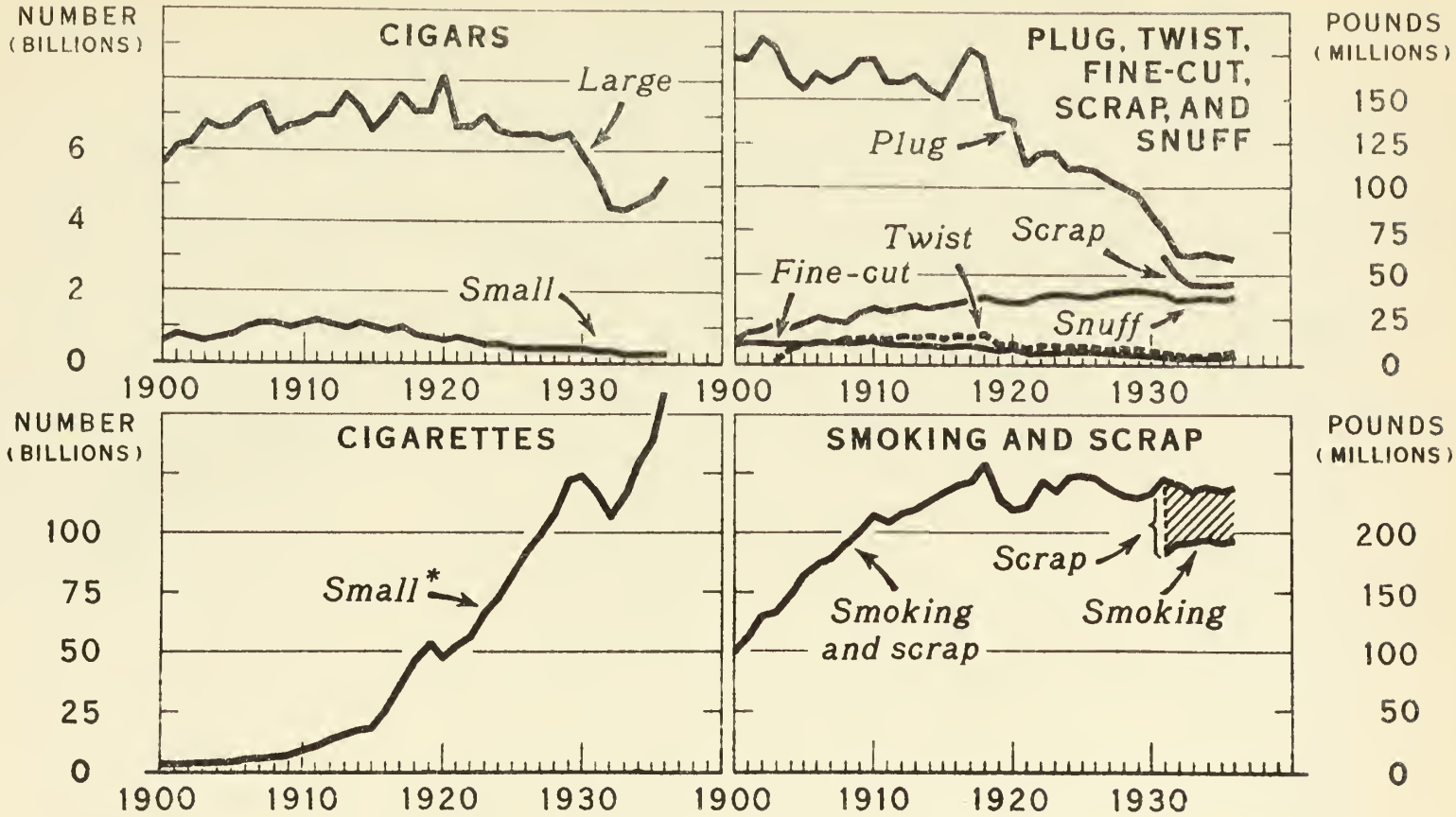
FIGURE 2.- BURLEY TOBACCO, WHICH RANKS NEXT IN IMPORTANCE TO FLUE-CURED IN THE DOMESTIC MANUFACTURE OF CIGARETTES, WAS PRODUCED IN A MUCH LARGER QUANTITY IN 1937 THAN IN 1936. THE VERY LOW LEVEL OF STOCKS, HOWEVER, RESULTED IN ONLY A SMALL INCREASE IN THE SUPPLY OVER 1936. PRICES OF BURLEY TOBACCO WILL AVERAGE MATERIALLY LOWER THAN LAST SEASON BUT STILL ARE EXPECTED TO BE HIGHER THAN IN MOST RECENT YEARS.

TOBACCO PRODUCTS: MANUFACTURES IN THE UNITED STATES, 1900 TO DATE



*LARGE CIGARETTES: NEVER AMOUNTED TO ENOUGH TO SHOW ON SCALE WITH SMALL CIGARETTES.

U. S. DEPARTMENT OF AGRICULTURE NEG. 32741 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 3.- THE STEEP UPWARD TREND IN CIGARETTE PRODUCTION DURING THE PAST TWO DECADES AND THE STATIONARY OR DECLINING OUTPUT OF OTHER TOBACCO PRODUCTS HAVE BEEN FACTORS OF MAJOR IMPORTANCE AFFECTING DEMAND, SUPPLIES, DISAPPEARANCE, AND PRICES OF THE DIFFERENT TYPES OF TOBACCO.